

# Fiscal Note

*Fiscal Services Division*



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**SF 2035** – Juvenile Home Shelter Providers, Cost Increase (LSB 5084SV)  
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## **Description**

**Senate File 2035** makes a change to reimbursement rate language in **SF 505** (FY 2016 Health and Human Services Appropriations Act) requiring the **statewide average reimbursement rates** paid through the Department of Human Services (DHS) to juvenile shelter care providers for FY 2016 to remain at the rate in effect in FY 2015. **SF 2035** amends this language and requires the statewide average reimbursement rate paid to juvenile shelter care providers to be increased by \$4.85 compared to the reimbursement rate in effect for FY 2015. This represents a 5.0% increase over the previous rate. This change is retroactive to July 1, 2015.

## **Background**

The maximum per diem rate that can be paid for a shelter bed placement is set in the annual appropriation as the statewide average of the actual and allowable rate. It is composed of the rate the DHS is authorized to pay in the annual appropriation language and the difference between what the DHS is authorized to pay and the lower of a provider's actual cost or the maximum that is set as the statewide average of the actual and allowable amount. The difference may be recovered by counties. In FY 2016, **SF 505** increased the daily DHS payment for shelter care; however, **SF 505**, Section 29, subsection 9c, stated the amount of the statewide average of the actual and allowable rates for reimbursement of juvenile shelter care homes that is utilized for the limitation on recovery of unpaid costs would remain at the FY 2015 amount of \$143.63. This subsection does not reflect the 5.0% increase for providers as the statewide average of the actual and allowable amount was increased to \$148.48.

## **Assumptions**

The shelter utilization rate will remain at FY 2015 levels, with juvenile shelters serving 156 children per day.

## **Fiscal Impact**

There is no impact to the General Fund. **SF 2035** will increase expenditures to all counties with children placed in shelter care by an estimated \$276,000, as this amount represents the difference in costs counties were to pay during FY 2016.

## **Source**

Department of Human Services

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/s/ Holly M. Lyons

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The fiscal note for this bill was prepared pursuant to **Joint Rule 17** and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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